

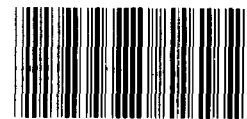
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BY THE COMPTROLLER GENERAL

**Report To The Clerk
Of The House Of Representatives**

OF THE UNITED STATES

**Review Of The Activities
Of The House Office Equipment Service
For The Year Ended June 30, 1981**



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AFMD-82-12
JANUARY 28, 1982

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The Clerk's responsibilities for furnishing electrical and mechanical office equipment are carried out by the Service's accounting, physical control, and repair service units, whose activities are financed from various appropriations.

The accounting unit consists of a chief, an assistant chief, and 10 clerks. It maintains accounting control over owned and leased office equipment and is responsible for leasing, purchasing, and disposing of electrical and mechanical office equipment.

The physical control unit consists of a supervisor, a repairman, and five office equipment attendants. It is responsible for picking up, delivering, transferring, and lending electrical and mechanical office equipment and providing electronic stencil cutting services.

The repair service unit consists of a repairman-supervisor, an assistant supervisor, a clerk, and nine repairmen. It is responsible for cleaning and repairing automatic, electric, and manual typewriters and mimeograph machines.

We reviewed the controls over owned and leased equipment; examined selected purchases and disposals of equipment; inventoried equipment awaiting disposal and equipment used for loans to Members, officers, or committees while regular equipment is being repaired; and reviewed the trade-in of excess typewriters and the disposition of reimbursements received from GSA for the sale of excess House equipment.

NEW COMPUTERIZED SYSTEM

The Service implemented a new on-line computerized system in July 1980 to account for House office equipment. Each day, accounting unit personnel record (1) obligations for the purchase and lease of equipment, (2) other acquisitions, disposals, and deletions and (3) cancellations of equipment.

Inventory data and other information are available for viewing on the computer terminals' five video screens. The terminals are used for recording the cost of purchased and leased equipment, controlling inventory, paying monthly leases, and billing Members and officers monthly for use of the equipment.

A unified inventory, by assigned office, of purchased and leased equipment is printed daily for accounting office use showing the equipment control number, serial number, approval code, order number, contract plan, installation date, and monthly and annual cost.

At the end of each month an inventory of nonleased equipment is printed for use by the accounting office. By type of equipment, both active and inactive, it shows the equipment control number, description, charge, serial number, account, order number,



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D.C. 20548

B-114865

The Honorable Edmund L. Henshaw, Jr.
Clerk of the House of Representatives

Dear Mr. Henshaw:

Pursuant to your May 18, 1981, request, we reviewed the activities of the Office Equipment Service (Service) of the House of Representatives for the year ended June 30, 1981.

GENERAL COMMENTS

Under section 112e of title 2, United States Code, the Clerk of the House furnishes electrical and mechanical office equipment, in accordance with the limitations and regulations prescribed by the Committee on House Administration, to (1) Members (including the Resident Commissioner from Puerto Rico and Delegates to the House of Representatives from the District of Columbia, Guam, the Virgin Islands, and American Samoa) and (2) officers and committees of the House of Representatives.

The Service is charged with operating the programs for purchasing, leasing, and servicing House office equipment. The Service's activities are financed through various appropriations available to the House of Representatives and its operating costs are reported under those appropriations in the quarterly reports of the Clerk.

The Committee on House Administration has issued regulations establishing equipment purchase and lease programs for Members and authorizing equipment purchases for committees consistent with individual needs. In addition, the Clerk may purchase or lease equipment for Officers of the House with the approval of the Committee on House Administration.

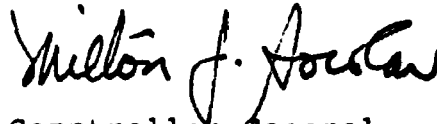
In December 1980, the committee issued new regulations governing office equipment. Appendixes I and II set forth those portions of the committee's regulations that pertain to the lease and purchase programs. Appendix III summarizes the changes which became effective January 3, 1981.

The procedure for disposing of excess equipment was also changed by the committee in January 1981. General Services Administration (GSA) is now required to reimburse the Service for the sale of excess equipment sent for disposal. During fiscal 1981, \$63,881 was received from GSA sales and deposited into the U.S. Treasury. In addition, the Service's records showed that \$11,160 was due for typewriters disposed of through the International Business Machines Corporation.

B-114865

A copy of this report is being sent to the Chairman of the
Committee on House Administration.

Sincerely yours,

A handwritten signature in cursive script that reads "Milton J. Fowler". The signature is written in dark ink and is positioned above the typed name.

Acting Comptroller General
of the United States

acquisition date, purchase cost, depreciation to date, and net value of each item. Before 1981, depreciation of purchased equipment was based on an estimated useful life of 10 years using the straight line method. In 1981, the Service started using an estimated useful life of 5 years for depreciation of purchased equipment. The June 30, 1981, inventory of nonleased office equipment consisted of 13,535 items with an acquisition cost of about \$12.4 million and a net book value of about \$4.2 million (see sch. 1).

To convert the computer system to the unified inventory accounting method by January 3, 1981, as required by the new committee regulations, the Service has given priority to implementing the recording of purchasing and leasing obligations. Consequently, certain office procedures are not computerized. Payments for equipment, supplies, and services are processed manually. The repair parts inventory and repair history records were not yet on-line, nor had they been updated manually. We did not attempt to verify the accuracy of the repair parts inventory or repair history records for fiscal 1981.

Our examination of selected purchase, lease, and disposal transactions showed them to be properly documented and recorded. The Service's records adequately account for the equipment and provide satisfactory control over the monthly charges for use of the equipment.

OFFICE EQUIPMENT SERVICE'S
OPERATING COSTS

The Service's operating costs for the year ended June 30, 1981, excluding the cost of forms obtained from the Government Printing Office and the cost of data processing services, utilities, office furniture, and building space (which are charged to other accounts) were as follows:

Administrative salaries and benefits		\$ 191,103
Operating salaries and benefits		452,657
Leasing costs		5,775,248
Depreciation of equipment		4,171,990
Depreciated value of equipment transferred to the General Services Administration		79,228
Repair parts:		
Restaurant computer software	\$ 6,324	
Recording Studio	30,641	
Office equipment	<u>36,087</u>	73,052
Vendor repairs		109,636
Moving expense		4,368
Office supplies		<u>2,355</u>
		<u>\$10,859,637</u>

APPENDIXES

HOUSE OF REPRESENTATIVES OFFICE EQUIPMENT SERVICE
SUMMARY OF EQUIPMENT ACCOUNTS JULY 1, 1980 TO JUNE 30, 1981

Type of equipment	Inventory July 1, 1980		Acquisitions		Disposals		Inventory June 30, 1981		Accumulated depreciation	Net book value
	Units	Cost	Units	Cost	Units	Cost	Units	Cost		
Addressing	127	\$ 105,541	-	\$ -	53	\$ 43,264	74	\$ 62,277	\$ 60,205	\$ 2,072
Automatic typewriters	260	426,575	438	1,764,997	165	128,054	533	2,063,518	1,244,393	819,125
Typewriters	7,021	3,934,382	400	332,734	851	349,072	6,570	3,918,044	3,035,547	882,497
Dictating	1,994	734,220	209	91,271	274	111,468	1,929	714,023	520,069	193,954
Duplicating	705	500,569	21	36,285	166	147,032	560	389,822	328,641	61,181
Adding machines and calculators	774	182,962	30	5,714	56	20,425	748	168,251	143,302	24,949
Telephone accessories	379	221,283	29	17,047	5	2,952	403	235,378	94,228	141,150
Television sets	448	128,609	104	34,832	-	-	552	163,441	53,459	109,982
Computers	162	1,684,079	186	139,000	-	-	348	1,823,079	995,446	827,633
Television broadcast equipment	301	1,437,761	25	8,431	-	-	326	1,446,192	491,247	954,945
Miscellaneous (note a)	1,077	865,612	525	755,307	110	206,833	1,492	1,414,086	1,255,146	158,940
Total	13,248	\$10,221,593	1,967	\$3,185,618	1,680	\$1,009,100	13,535	\$12,398,111	\$8,221,683	\$4,176,428

a/Includes automatic letter openers and sealers, automatic letter folders and inserters, delivery trucks, Motorola Pageboy Pagers, camera equipment, cash registers, photocopiers, signature machines, word processors, and other miscellaneous equipment.

Note: This schedule does not include about 3,600 pieces of office equipment that the Office Equipment Service leased and controlled for Members and officers at a cost of about \$5.8 million in fiscal 1981.

(3) When, through inventory or other means, it is determined that an item of equipment is damaged or lost, the Member should inform the Clerk of the House by letter, explaining the circumstances surrounding the loss of the item, or if damaged, how such damages occurred. Upon receipt of this letter, the Clerk will order an investigation of the occurrence in an effort to locate the missing item or items and ascertain the circumstances surrounding the loss or damage. At the completion of the investigation, the Clerk will send to the Committee on House Administration a copy of the letter, a copy of the investigation report (including an objective statement as to the cause of the loss or damage) and a letter indicating the value of the item at the time it was discovered missing, or if damaged, the extent of the damage, the result of his investigation, and his action to dispose of the case.

(4) If it is determined that the Member or responsible official is liable he or she will be charged with the established trade-in value or the depreciated book value of the item, whichever is higher. Liability will be determined on the facts supporting each case. In cases involving the loss of or damage to an item while the equipment is outside the assigned office, the Member or responsible official will be held liable.

(5) The Clerk's decision as to liability shall be final and binding unless, within 30 days, the Member or responsible official requests in writing a hearing before the Committee on House Administration.

(6) Payment of a charge levied against a Member or responsible official must be made within 30 days of the date of final decision. If a charge is made against a Member or responsible official leaving the House payroll for any reason, payment will be deducted from his final paycheck.

(7) The equipment will be dropped from the inventory and limitation records when payment is made or when the Member or responsible official is absolved of liability by the Committee on House Administration.

House of Representatives
Committee on House Administration
Members' Regulations

Provisions Relating to Office Equipment

a. Office equipment shall be furnished to Members for use in their offices by the Clerk of the House from an approved list of such equipment established by the Committee on House Administration. No other equipment may be acquired without the specific approval of the Committee.

b. Members Allowance for Official Expenses will be charged a monthly user fee for all equipment under their control. Such user fee will be determined based upon the terms and conditions applicable to individual items of equipment as listed in the approved list of equipment.

c. The Clerk of the House will furnish equipment to be charged jointly to the allowances of two or more Members, provided that—

(1) the sharing agreement clearly defines the allocation of the user fee and liability for damage or loss;

(2) the sharing agreement clearly defines the conditions for termination;

(3) the sharing agreement specifies the location of the equipment; and

(4) prior approval of the joint sharing agreement has been obtained from the Committee on House Administration.

d. When a new Member is elected to Congress he will inherit the equipment charged to his predecessor subject to the following conditions:

(1) The inherited equipment will be retained by the new Member for a period of at least 30 days following his taking the oath of office.

(2) From 30 to 90 days after his taking the oath of office, a Member may dispose of any equipment that has proved excessive or otherwise unsatisfactory. Requests for disposition will be made in writing to the Clerk of the House.

(3) After 90 days from the Member's oath of office, such equipment will be disposed of in accordance with the procedures outlined in paragraph e.

e. Equipment will be disposed of as follows:

(1) Requests for dispositions are to be made in writing by Member to the Clerk of the House.

(2) The equipment, except manual typewriters, will be turned in to the Clerk of the House for disposal, only (i) if its rental plan has expired; (ii) if the condition is such that it is not economically feasible to keep the item operat-

ing; (iii) if the item has become obsolete due to substantial design changes; or (iv) if the item is fully depreciated. Manual typewriters may be turned in at any time.

(3) The Clerk of the House will examine the equipment under the 5 year plan to determine whether it meets the criteria for disposal.

(4) Disputes with the Clerk of the House as to the determination of whether an item meets the criteria for disposal may be submitted to the Committee on House Administration.

(5) Equipment may be disposed by the Clerk, at the direction of the Committee on House Administration, through the General Services Administration, open market trade-in, or any other manner advantageous to the House; except that, no equipment may be sold or traded to any individual other than on a competitive basis. The Clerk shall not, under this authority, sell or trade any equipment to Members, officers or employees of the House.

(6) If a Member has equipment which is surplus to his needs, but which does not qualify for disposal, he may, upon written notification to the Clerk of the House, arrange with a Member who desires the item, to transfer it to the other Member's account at the current usage fee.

f. All equipment furnished will be subject to the following inventory procedures:

(1) At the beginning of each session of Congress, the Clerk will send a list (in duplicate) to each Member. Each Member will return one copy to the Clerk certifying that the items are in his office. If the certification is not received within 30 days the Clerk will conduct a physical inventory of the local equipment so charged. An affidavit will be sent to verify the presence of listed equipment in the district office.

(2) When a Member has been defeated in an election, or otherwise leaves office, the Clerk will conduct an immediate physical inventory of the equipment assigned to that Member's office. If the departing Member is a committee chairman, the Clerk will also inventory the equipment assigned to the committee. In any periods during which a vacancy exists in a congressional district the staff employee in charge of operations in the vacated office is responsible for the assigned equipment.

Thomas H. Nease, Jr.
Clerk

H. Raymond Coffey
Deputy Clerk

Office of the Clerk
U.S. House of Representatives
Washington, D.C. 20515

NOTICE

OFFICE EQUIPMENT

NEW REGULATIONS: Rules promulgated by the Committee on House Administration have resulted in the following CHANGES concerning office equipment effective with the commencement of the 97th Congress:

EQUIPMENT LISTINGS: Two previous equipment listings- the Office Equipment Purchase Account and the Office Equipment Leasing Inventory- will be combined into a single listing, the Member Office Equipment Inventory.

FIVE YEAR PLAN: Items previously acquired under the Purchase Account will be assigned to the Member Office Equipment Inventory under the 5 YEAR PLAN. There will be a monthly charge to the Official Expenses Allowance for each unit, based on its original purchase cost, and this charge will be reduced by 25% annually until the fifth year. Equipment over five years old will carry the fifth year monthly charge and may be disposed of at any time.

ADDITIONAL PLANS: Items previously acquired under the Leasing Inventory will be assigned to the Member Office Equipment Inventory at their current status. These items may be cancelled upon thirty days written notice, unless leased under a contract plan, and may be converted to the 5 Year Plan upon written request.

APPROVED LIST: After January 3, 1981, no equipment may be acquired that is not on the House Approved List. Computer contracts currently in effect may continue without change until they are terminated.

ANNUAL INVENTORIES: Equipment inventories conducted by Office Equipment Service will include leased equipment. A Member of Congress is personally liable for the loss of or damage to any assigned equipment.

MONTHLY STATEMENT: A monthly allowance statement from the Finance Office will advise you of the total equipment charge to your Official Expenses Allowance.

QUESTIONS: Questions concerning your office equipment should be directed to Office Equipment Service on extension 53994.

(916750)

House of Representatives
Committee on House Administration
Committee's Regulations

O. OFFICE EQUIPMENT

1. Committees may acquire equipment consistent with individual needs based on personnel, workload, and other factors. Such equipment will be purchased or leased by the Clerk of the House from a list approved by the Committee on House Administration, as appropriate, and the committee will be charged a monthly use charge for all equipment under its control and this fee will be charged against the funds provided to the committee to carry out its studies and investigation.

2. Requests for equipment should be addressed to the Clerk of the House, should describe the type of equipment desired, and should include the plan under which the committee wishes to acquire the equipment.

3. Requests for equipment not on the approved list will be forwarded to the Committee on House Administration. Upon approval, the Committee on House Administration will direct the Clerk to provide the equipment.

4. At the beginning of each session of Congress, the Clerk will send a list (in duplicate) to each committee, or office of the House, showing assigned equipment. Each Chairman of a committee or top official of an office, will return one copy to the Clerk certifying that the items are in the committee offices. If the certification is not received within 30 days the Clerk will conduct a physical inventory of the equipment so charged.

5. When a committee Chairman has been defeated in an election, or otherwise leaves office, the Clerk will conduct an immediate physical inventory of the equipment assigned to that committee. In any periods during which a vacancy exists in a committee chairmanship or House office, the staff employee in charge of operations in the vacated office is responsible for the assigned equipment.

6. In the event of the change of the majority in the House, there shall be an immediate physical inventory of the offices affected.

7. The removal of office equipment, other than dictating equipment, from its assigned Washington office, is prohibited except for repairs by authorized dealers. Interoffice moves of equipment will be accomplished only by the Office Equipment Service, Office of the Clerk.

8. When, through inventory or other means, it is determined that an item of equipment is damaged or lost, the Chairman should inform the Clerk of the House by letter, explaining the circumstances surrounding the loss of the item or if damaged, how such damages occurred. Upon receipt of this letter, the Clerk will order an investigation of the occurrence in an effort to locate the missing item or items and ascertain the circumstances surrounding the loss or damage. At the completion of the investigation, the Clerk will send to the Committee on House Administration a copy of the letter, a copy of the investigation report (including an objective statement as to the cause of the loss or damage) and a letter indicating the value of the item at the time it was discovered missing, or if damaged, the extent of the damage, the result of his investigation, and his action to dispose of the case.

9. If it is determined that the Chairman or responsible official is liable he or she will be charged with the established trade-in value or the depreciated book value of the item, whichever is higher. Liability will be determined on the facts supporting each case. In cases involving the loss of or damage to an item while the equipment is outside the assigned office, the Chairman or responsible official will be held liable.

10. The Clerk's decision as to liability shall be final and binding unless, within 30 days, the Chairman or responsible official requests a hearing before the Committee on House Administration.

11. Payment of a charge levied against a Chairman or responsible official must be made within 30 days of the date of final decision. If a charge is made against a Chairman or responsible official leaving the House payroll for any reason, payment will be deducted from his final paycheck.

12. The equipment will be dropped from the inventory and limitation records when payment is made or when the Chairman or responsible official is absolved of liability by the Committee on House Administration.

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